

111TH CONGRESS
1ST SESSION

H. R. 3382

To amend the Internal Revenue Code of 1986 to encourage individuals to purchase building products and home furnishings, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 29, 2009

Mr. JOHNSON of Georgia (for himself, Mr. DEAL of Georgia, Mr. SHULER, Mr. LATTA, Mr. CLAY, Mr. BARROW, Mr. BISHOP of Georgia, and Mr. PASCRELL) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to encourage individuals to purchase building products and home furnishings, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Home Improvements
5 Revitalize the Economy Act of 2009” or the “HIRE Act
6 of 2009”.

7 **SEC. 2. FINDINGS.**

8 The Congress finds that—

1 (1) the home furnishing and building products
2 market lost \$67 billion in direct economic value from
3 2007 to 2008,

4 (2) it is expected to lose another \$74 billion
5 from 2008 to 2009,

6 (3) 273,000 American jobs were lost in 2008 in
7 this sector and 299,000 jobs are expected to be lost
8 in the sector in 2009, and

9 (4) temporary, timely, and targeted efforts are
10 necessary to save and create jobs in this sector.

11 **SEC. 3. DEDUCTION FOR PURCHASES OF PERSONAL USE**
12 **BUILDING PRODUCTS AND HOME FUR-**
13 **NISHINGS.**

14 (a) IN GENERAL.—Part VII of subchapter B of chap-
15 ter 1 of the Internal Revenue Code of 1986 (relating to
16 additional itemized deductions for individuals) is amended
17 by redesignating section 224 as section 225 and by insert-
18 ing after section 223 the following new section:

19 **“SEC. 224. BUILDING PRODUCTS AND HOME FURNISHINGS.**

20 “(a) ALLOWANCE OF DEDUCTION.—In the case of an
21 individual, there shall be allowed as a deduction for the
22 taxable year an amount equal to the cost paid or incurred
23 during the taxable year by the taxpayer for qualified build-
24 ing products and home furnishings.

25 “(b) MAXIMUM DEDUCTION.—

1 “(1) IN GENERAL.—The amount allowable as a
2 deduction under subsection (a) to the taxpayer for
3 any taxable year shall not exceed \$2,000 in the case
4 of a joint return (\$1,000 in any other case).

5 “(2) DOUBLING OF LIMITATION FOR PRODUCTS
6 MEETING ENVIRONMENTAL STANDARDS.—

7 “(A) IN GENERAL.—In the case of quali-
8 fied building products and home furnishings
9 which meet recognized environmental stand-
10 ards, the dollar limitation otherwise applicable
11 under paragraph (1) shall be increased by the
12 lesser of—

13 “(i) such limitation, or

14 “(ii) the cost of qualified building
15 products and home furnishings paid or in-
16 curred by the taxpayer during the taxable
17 year for property meeting such standards.

18 “(B) RECOGNIZED ENVIRONMENTAL
19 STANDARDS.—For purposes of subparagraph
20 (A), the term ‘recognized environmental stand-
21 ards’ means—

22 “(i) LEED, Green Globes, and En-
23 ergy Star standards, and

24 “(ii) any other widely recognized (or
25 third-party verified) national or industry

1 environmental standards having a positive
2 life cycle analysis.

3 “(c) ADJUSTED GROSS INCOME LIMITATION.—

4 “(1) IN GENERAL.—The dollar limitation appli-
5 cable under subsection (b) shall be reduced (but not
6 below zero) by the amount which bears the same
7 ratio to such limitation as—

8 “(A) the excess of—

9 “(i) the taxpayer’s modified adjusted
10 gross income for such taxable year, over

11 “(ii) the applicable limitation, bears to

12 “(B) \$10,000 (\$20,000 in the case of a
13 joint return).

14 “(2) APPLICABLE LIMITATION.—For purposes
15 of paragraph (1), the applicable limitation is—

16 “(A) \$300,000 in the case of a joint re-
17 turn, and

18 “(B) \$150,000 in any other case.

19 “(3) MODIFIED ADJUSTED GROSS INCOME.—

20 For purposes of this section, the term ‘modified ad-
21 justed gross income’ means adjusted gross income
22 determined—

23 “(A) without regard to this section and
24 sections 199, 911, 931, and 933, and

1 “(B) after application of sections 86, 135,
2 137, 219, 221, 222, and 469.

3 “(4) ROUNDING.—Any amount determined
4 under this subsection which is not a multiple of \$10
5 shall be rounded to the next lowest \$10.

6 “(d) QUALIFIED BUILDING PRODUCTS AND HOME
7 FURNISHINGS.—For purposes of this section—

8 “(1) IN GENERAL.—The term ‘qualified build-
9 ing products and home furnishings’ means—

10 “(A) any building product which is in-
11 stalled or applied (within 6 months after being
12 purchased by the taxpayer) in or on a dwelling
13 unit located in the United States and owned
14 and used by the taxpayer as the taxpayer’s
15 principal residence (within the meaning of sec-
16 tion 121), and

17 “(B) any tangible personal property which
18 is used to furnish such dwelling unit,
19 but only if the original use of such product or prop-
20 erty begins with the taxpayer.

21 “(2) EXCEPTIONS.—Such term shall not in-
22 clude—

23 “(A) home electronics, including tele-
24 visions, radios, entertainment systems, and
25 computers,

1 “(B) home appliances, including refrig-
2 erators, ovens, dishwashers, clothes washers
3 and dryers,

4 “(C) housewares,

5 “(D) artwork, photographs, and other
6 home decorations, and

7 “(E) property for which depreciation (or
8 amortization in lieu of depreciation) is allow-
9 able.

10 “(e) COST.—The cost of property taken into account
11 under this section shall include labor costs properly allo-
12 cable to the onsite preparation, assembly, application, or
13 original installation of the property.

14 “(f) TERMINATION.—This section shall not apply to
15 amounts paid or incurred after December 31, 2011.”.

16 (b) DEDUCTION ALLOWED WHETHER OR NOT TAX-
17 PAYER ITEMIZES OTHER DEDUCTIONS.—Subsection (a)
18 of section 62 of such Code is amended by adding at the
19 end the following new paragraph:

20 “(22) PURCHASES OF BUILDING PRODUCTS
21 AND HOME FURNISHINGS.—The deduction allowed
22 by section 224.”.

23 (c) CONFORMING AMENDMENTS.—

24 (1) Sections 86(b)(2)(A), 135(c)(4)(A),
25 137(b)(3)(A), 199(d)(2)(A), 219(g)(3)(A)(ii), and

1 221(b)(2)(C)(i) of such Code are each amended by
2 inserting “224,” after “222,”.

3 (2) Section 222(b)(2)(C) of such Code is
4 amended by striking “and 933” and inserting “933,
5 and 224”.

6 (3) Section 469(i)(3)(F)(iii) of such Code is
7 amended by striking “and 222” and inserting “222,
8 and 224”.

9 (4) The table of sections for part VII of sub-
10 chapter B of chapter 1 of such Code is amended by
11 striking the last item and inserting the following
12 new items:

“Sec. 224. Building products and home furnishings.
“Sec. 225. Cross reference.”.

13 (d) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 December 31, 2008.

16 **SEC. 4. CREDIT FOR PURCHASES OF PERSONAL USE BUILD-**
17 **ING PRODUCTS AND HOME FURNISHINGS.**

18 (a) IN GENERAL.—Subpart A of part IV of sub-
19 chapter A of chapter 1 of the Internal Revenue Code of
20 1986 (relating to nonrefundable personal credits) is
21 amended by inserting after section 25D the following new
22 section:

1 **“SEC. 25E. BUILDING PRODUCTS AND HOME FURNISHINGS.**

2 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
3 dividual, there shall be allowed as a credit against the tax
4 imposed by this chapter for the taxable year an amount
5 equal to 20 percent of the cost paid or incurred during
6 the taxable year by the taxpayer for qualified building
7 products and home furnishings.

8 “(b) MAXIMUM CREDIT.—

9 “(1) IN GENERAL.—The amount of credit al-
10 lowed under this section for the taxable year shall
11 not exceed \$500 in the case of a joint return (\$250
12 in any other case).

13 “(2) DOUBLING OF LIMITATION FOR PRODUCTS
14 MEETING ENVIRONMENTAL STANDARDS.—A rule
15 similar to the rule of section 224(b)(2) shall apply
16 for purposes of paragraph (1).

17 “(c) ADJUSTED GROSS INCOME LIMITATION.—The
18 dollar limitation under subsection (b) shall be reduced as
19 provided in section 224(c); except that, for purposes of
20 this section, the term ‘modified adjusted gross income’
21 means adjusted gross income determined without regard
22 to sections 911, 931, and 933.

23 “(d) QUALIFIED BUILDING PRODUCTS AND HOME
24 FURNISHINGS.—For purposes of this section, the term
25 ‘qualified business products and home furnishings’ has the
26 meaning given to such term by section 224(d).

1 “(e) COORDINATION WITH DEDUCTION.—No credit
2 shall be allowed under this section for the taxable year
3 to any taxpayer who claims a deduction under section 224
4 for such year.

5 “(f) COST.—The cost of property taken into account
6 under this section shall include labor costs properly allo-
7 cable to the onsite preparation, assembly, application, or
8 original installation of the property.

9 “(g) TERMINATION.—This section shall not apply to
10 amounts paid or incurred after December 31, 2011.”.

11 (b) CLERICAL AMENDMENT.—The table of sections
12 for such subpart A is amended by adding at the end the
13 following new item:

“Sec. 25E. Building products and home furnishings.”.

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2008.

17 **SEC. 5. REFUNDABLE CREDIT FOR PURCHASES OF BUILD-**
18 **ING PRODUCTS AND FURNISHINGS FOR RE-**
19 **SALE.**

20 (a) IN GENERAL.—Subpart D of part IV of sub-
21 chapter A of chapter 1 of the Internal Revenue Code of
22 1986 (relating to business related credits) is amended by
23 adding at the end the following new section:

1 **“SEC. 45R. PURCHASES OF BUILDING PRODUCTS AND**
2 **HOME FURNISHINGS FOR RESALE.**

3 “(a) IN GENERAL.—For purposes of section 38, the
4 building products and home furnishings for resale credit
5 determined under this section for the taxable year is an
6 amount equal to 10 percent of the cost paid or incurred
7 by the taxpayer during the taxable year for qualified build-
8 ings products and home furnishings purchased by the tax-
9 payer for resale to customers.

10 “(b) MAXIMUM CREDIT.—The amount of credit al-
11 lowable under this section to the taxpayer for any taxable
12 year shall not exceed \$10,000.

13 “(c) QUALIFIED BUILDING PRODUCTS AND HOME
14 FURNISHINGS.—For purposes of this section—

15 “(1) IN GENERAL.—The term ‘qualified build-
16 ing products and home furnishings’ means any tan-
17 gible personal property of a type—

18 “(A) used to construct, repair, or improve
19 a personal residence, or

20 “(B) used primarily within a personal resi-
21 dence.

22 “(2) EXCEPTION.—Such term shall not include
23 property described in subparagraph (A), (B), (C), or
24 (D) of section 224(d)(2).

25 “(d) CONTROLLED GROUPS.—For purposes of this
26 section, all persons treated as a single employer under sub-

1 section (a) or (b) of section 52 or subsection (m) or (o)
2 of section 414 shall be treated as 1 taxpayer, and the dol-
3 lar limitation in subsection (b) shall be allocated among
4 such persons in such manner as the Secretary shall pre-
5 scribe.

6 “(e) TERMINATION.—This section shall not apply to
7 amounts paid or incurred after December 31, 2011.”.

8 (b) CREDIT TO BE PART OF GENERAL BUSINESS
9 CREDIT.—Section 38(b) of such Code is amended by strik-
10 ing “plus” at the end of paragraph (34), by striking the
11 period at the end of paragraph (35) and inserting “, plus”,
12 and by adding at the end the following new paragraph:

13 “(36) the building products and home fur-
14 nishings for resale credit determined under section
15 45R(a).”.

16 (c) CREDIT TO BE REFUNDABLE.—Subsection (c) of
17 section 38 of such Code (relating to limitation based on
18 amount of tax) is amended by redesignating paragraph (5)
19 as paragraph (6) and by inserting after paragraph (4) the
20 following new paragraph:

21 “(5) SPECIAL RULES FOR CREDIT FOR BUILD-
22 ING PRODUCTS AND HOME FURNISHINGS FOR RE-
23 SALE.—In the case of the credit determined under
24 section 45R—

1 “(A) this section and section 39 shall be
2 applied separately with respect to such credit,

3 “(B) in applying paragraph (1) to such
4 credit—

5 “(i) the tentative minimum tax shall
6 be treated as being zero, and

7 “(ii) the limitation under paragraph
8 (1) (as modified by subclause (I)) shall be
9 reduced by the credit allowed under sub-
10 section (a) for the taxable year (other than
11 the credit determined under section 45R),
12 and

13 “(iii) the amount of the credit deter-
14 mined under section 45R in excess of the
15 limitation under paragraph (1) (as modi-
16 fied by subclause (II)) shall be treated as
17 a credit under subpart C.”.

18 (d) CLERICAL AMENDMENT.—The table of sections
19 for subpart D of part IV of subchapter A of chapter 1
20 of such Code is amended by adding at the end the fol-
21 lowing new item:

 “Sec. 45R. Purchases of building products and home furnishings for resale.”.

22 (e) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years ending after De-
24 cember 31, 2008.

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